

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N.W.  
SUITE 301  
WASHINGTON, D.C.  
20036  
—  
(202) 393-2266  
FAX (202) 393-2156  
E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

July 15, 2003

RECORDATION NO. 21791-B FILED

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

JUL 15 '03 3-15 PM  
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a First Amendment to Assignment, Pledge and Security Agreement, dated as of June 25, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Assignment, Pledge and Security Agreement which was previously filed with the Board under Recordation Number 21791.

The names and addresses of the parties to the enclosed document are:

Debtor:	SRL Partners #3 955 South Virginia Street Reno, Nevada 89502
Secured Party:	Zions First National Bank P O Box 25822 One South Maine Street Salt Lake City, Utah 84125

Mr. Vernon A. Williams  
July 15, 2003  
Page 2

A description of the railroad equipment covered by the enclosed document  
is:

11 railcars: SRLX 1803, SRLX 1809 – SRLX 1811, SRLX 1813, SRLX  
1815, SRLX 1817 – SRLX 1818, SRLX 1822 – SRLX 1823, SRLX 1826.

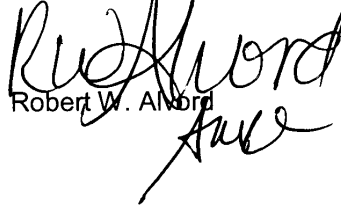
A short summary of the document to appear in the index is:

First Amendment to Assignment, Pledge and Security Agreement.

Also enclosed is a check in the amount of \$30.00 payable to the order of  
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the  
undersigned.

Very truly yours,

  
Robert W. Alford

RWA/anm  
Enclosures

## FIRST AMENDMENT TO ASSIGNMENT, PLEDGE AND SECURITY AGREEMENT

This First Amendment to Assignment, Pledge and Security Agreement (the "Amendment") is made between SRL Partners #3, a Nevada general partnership (the "Debtor"), and Zions First National Bank, a national association (the "Secured Party") and is dated as of June 25, 2003

This Amendment amends the Assignment, Pledge and Security Agreement made between the Debtor and the Secured Party dated November 16, 1998 (the "Agreement"), which was made pursuant to a Loan Agreement between the Debtor, as Borrower, and the Secured Party, as Lender, dated the same date as the Agreement (the "Loan Agreement").

For good and valuable consideration, receipt of which is hereby acknowledged, Debtor and Secured Party agree as follows:

1. All capitalized terms not defined herein shall have the meanings given them in the Agreement.

2. Certain language within the amended portions of the Agreement, as set forth herein, appears in bold face merely for convenience in identifying it as language which is added to the Agreement by this Amendment.

3. Section 1.A.(2) of the Agreement is deleted in its entirety and replaced with the following:

(2) Imco Recycling, Inc., Lease. Railroad Car Lease, dated June 1, 1998, between Southern Rail Leasing, Inc. (as Lessor), and Imco Recycling, Inc., a corporation (as Lessee), together with Schedule Number 1, effective June 1, 1998, and Schedule Number 2, effective June 12, 1998, as modified by a letter agreement, dated October 13, 1998, pertaining to 8 railcars bearing the marks and numbers indicated on Exhibit D attached hereto and incorporated herein by this reference, **together with Schedule Number 3, dated as of January 27, 2003 (as modified by Modification to Schedule Number 3, dated as of February 21, 2003) ("Schedule 3") pertaining to 11 railcars bearing the marks and numbers indicated on Exhibit D-1 attached hereto and incorporated herein,** (collectively the "Imco Recycling, Inc., Lease"), a true and correct copy of which is attached hereto as Exhibit E and incorporated herein by this reference, **and is supplemented by a true and correct copy of Schedule 3 attached hereto as Exhibit E-1,** the Lessor's rights, titles, interests and obligations to and under which Imco Recycling, Inc., Lease have been assigned to the Debtor by an Assignment and Certificate of Consent and Agreement, dated May 21, 1998, by and among Southern Rail Leasing, Inc., the Debtor and Imco Recycling, Inc., a true and correct copy of which is attached hereto as Exhibit F and incorporated herein by this reference;

2. Exhibits D-1 and E-1 attached hereto are added as Exhibits to the Agreement.

3. All representations, warranties of Debtor concerning the Collateral contained in Section 4 of the Agreement are made by Debtor with respect to the Collateral which is covered by Schedule 3 as of the date hereof.

RECORDATION NO. 21791-13 FILED

JUL 15 '03

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SURFACE TRANSPORTATION BOARD

Dated as of the first date written above.

**Debtor:**

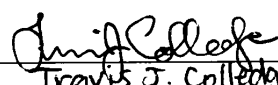
SRL PARTNERS #3  
a Nevada general partnership

By: Southern Railway Leasing, Inc.  
Managing Partner

By:   
Philip W. Hoffman  
Its Vice President

**Secured Party:**

ZIONS FIRST NATIONAL BANK  
a national association

By:   
Name: Travis J. Colledge  
Title: Assistant Vice President

STATE OF California )  
COUNTY OF San Diego ) : ss.

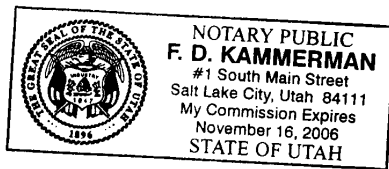
The foregoing First Amendment to Assignment Pledge and Security Agreement was acknowledged before me this 25 day of June, 2003 by Philip W. Hoffman, Vice President of Southern Rail Leasing, Inc., the Managing Partner of SRL PARTNERS #3, a Nevada General Partnership.



Annette M Hoggan  
NOTARY PUBLIC

STATE OF UTAH )  
COUNTY OF SALT LAKE ) : ss.

The foregoing Assignment, Pledge and Security Agreement was acknowledged before me this 14 day of July, 2003 by Travis J. Colledge Asst Vice President of Zions First National Bank, a national association.



F D Kammerman  
NOTARY PUBLIC

## **EXHIBIT D-1**

### **Car Numbers**

SLRX 1803  
SLRX 1809  
SLRX 1810  
SLRX 1811  
SLRX 1813  
SLRX 1815  
SLRX 1817  
SLRX 1818  
SLRX 1822  
SLRX 1823  
SLRX 1826

**EXHIBIT E-1**

### Schedule Number 3

This Schedule Number 3 ('Schedule') to that certain Lease Agreement, ('Agreement') dated for reference purposes as of June 1, 1998 between Southern Rail Leasing, Inc. as Lessor (which interest was subsequently assigned by Southern Rail Leasing, Inc. to SRL Partners #3, a Nevada Partnership, hereafter, the "Lessor") and Imco Recycling, Inc. ("Lessee"), is made for reference purposes as of this 27<sup>th</sup> day of January 2003 between Lessor and Lessee.

Lessee and Lessor agree as follows:

All terms of the Agreement shall have the meanings defined therein when used in this Schedule except that the term "Cars" shall refer only to the equipment described in this schedule.

2. Lessor hereby leases the following Cars to Lessee:  
SRLX 1802, 1803, 1809, 1810, 1811, 1813, 1815, 1817, 1818, 1822, 1823 & 1826
3. The term of the lease with respect to the Cars described on this Schedule Number 3 shall be deemed to have commenced on the day of delivery of the last Car ("Lease Commencement Date"). Delivery shall be defined as the day each Car is first given disposition instructions by Lessee from the shop performing the alteration work specified paragraph 7 of this Schedule 3. The initial lease term shall continue as to all of the Cars described in this schedule through the last day of the 60<sup>th</sup> month following the Lease Commencement date of the last Car delivered under this Schedule 3. In the event that by reason of the operation of the Management Services Agreement between Southern Rail Leasing, Inc. and Lessee there is an abatement of rent paid, the term of this Agreement shall be extended by the average number of Car days abated under the Management Services Agreement unless Lessor shall give Lessee at least 60 days prior notice of its intent not to extend the term of this Agreement.  
  
Once deliveries have commenced under this Schedule 3, Lessee shall not accrue additional rental obligations for the Cars under Schedules 1 and 2 of this Agreement; and upon delivery of the final Car under this Schedule 3 the term of Schedules 1 and 2 shall be considered as terminated and the return provisions of those Schedules shall be undertaken by the parties.
4. The rental shall be a fixed amount of \$345.61 per month per Car, subject to provisions of the lease relating to holdover. Rent shall be paid on the first of each month, in advance, any rent attributable to the period between delivery of a Car and the first of the month shall be pro-rated and paid with the first payment due with respect to such Car. Should any notice be given under Section 13 A (i) of the Railroad Car lease, then any rental payment then due shall incur liquidated damages equal to 5% of such late rental payment.
5. Lessee shall bear the cost and obligations for maintenance and repair with respect to the Cars leased pursuant to this schedule. The parties acknowledge that there will exist a Management Services Agreement between Southern Rail Leasing, Inc. and Lessee that may by its terms shift some or all of the Lessee's



responsibilities under this Agreement to Southern Rail Leasing, Inc.

6. The Cars shall be used as boxcars and are to be loaded with aluminum re-melting by-products 4.3, UN 3170; and they shall be delivered for such purpose. Prior to return, cars will be steam cleaned to remove the by-product residue. However it is understood that there is a portion that cannot be removed. Lessor acknowledges that the Car grade might be adversely affected by the inability to remove all residue; and Lessor consents to same.

Notwithstanding any provision in the Lease to the contrary, the Cars may be interchanged to any location in Canada without further consent of Lessor.

7. Lessor shall be responsible for the cost of remarking, retagging and the following modifications:

Line the floors with 3/16" sheet steel, continuously welded at overlapped seams and along sides and ends attached to newly applied 3/16"X2"X2" angle iron.

Make doors operable by one man from the ground

Insure roofs are reasonably water tight.

Placement of a vent of Lessee's design in both ends of each car

Permanent blocking the cushioning units to avoid ongoing need to maintain those components

8. Lessee shall be responsible for all freight costs upon A&M and UPRR.

Notwithstanding Section 14 A of the Railroad Car Lease, upon termination of this lease with respect to any Car (or upon expiration of the storage period described in Paragraph 14 C of the Lease), Lessee shall transport such Cars to any interchange point of UPRR. For purposes of this Schedule 3, the storage period shall be limited to the later of the end of the term plus thirty days or ninety days after the Lessee has notified Lessor that it will not renew the term of this Agreement.

9. The Record Keeper designated in Paragraph 7 of the Lease Agreement is Lessor.

10. In addition to the obligations described in Section 8 of the Railroad Car Lease, at the Lease Commencement Date Lessee shall provide casualty insurance on each Car in such amounts reasonably determined by Lessor:

11. This Schedule may be assigned by a separate document. Lessee will reasonably cooperate with Lessor in consummating such assignment.

12. Except as expressly modified by this Schedule, with respect to these Cars, all terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE PAGE FOLLOWS

Each party, pursuant to due entity authority, has caused this Agreement to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Agreement was the free act and deed of the entity, the foregoing is true and correct and that this Agreement was executed on the date indicated.

LESSOR

SRL Partners

BY:

DATE:

2/6/03

LESSEE

Imco Recycling, Inc.

BY:

DATE:

1/31/2003

MODIFICATION TO  
SCHEDULE NUMBER 3

This is a modification and amendment ("Modification") to Schedule Number 3 to that certain Lease Agreement, ('Agreement') SRL Partners #3, a Nevada Partnership, hereafter, the "Lessor") and Imco Recycling, Inc. ("Lessee"). Schedule Number 3 was dated for reference purposes as of the 27<sup>th</sup> day of January 2003. The reference date of this Modification is February 21, 2003.

The parties acknowledge that one of the Cars, SRLX 1802, to be acquired for the transaction set forth in Schedule Number 3 has a light weight above the maximum contemplated by the parties herein.

Therefore, SRLX 1802 shall be removed from the list of equipment set forth in Schedule Number 3; and that when completed, there will be eleven Cars covered by the Schedule Number 3

LESSOR

SRL Partners #3

BY: 

DATE: 2/28/03

LESSEE

Imco Recycling, Inc.

BY: 

DATE: 2/23/2003